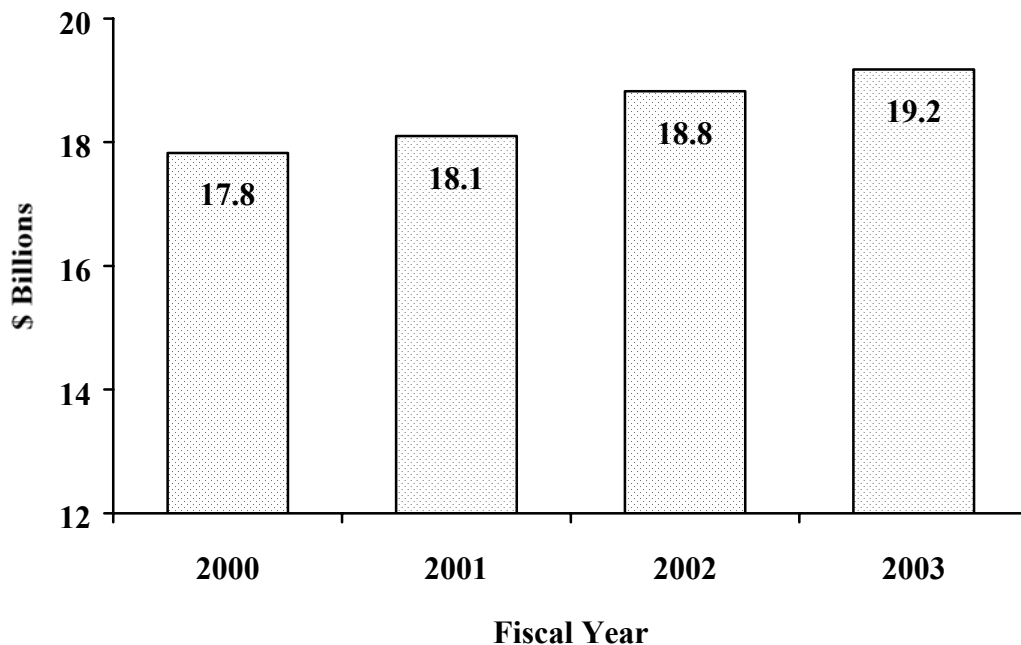


I. EXECUTIVE SUMMARY

The President's FY 2003 Budget presents a balanced approach for drug control programs, fully supporting the *National Drug Control Strategy*. In FY 2003, critical initiatives significantly expand the Administration's commitment to drug treatment, support essential drug prevention programs targeting youth, and continue assistance to our partners in the Andean region. In total, funding recommended for FY 2003 is an estimated \$19.2 billion, an increase of \$356.9 million (+1.9 percent) over the FY 2002 enacted level of \$18.8 billion (Figure 1).

Figure 1: National Drug Control Budget



Funding by department for FY 2001 to FY 2003 is displayed in Table 1. Demand reduction efforts by the Department of Health and Human Services, the Department of Education, and ONDCP will fund new and innovative approaches for drug treatment, provide basic research on drug use, and continue prevention efforts aimed at children and adolescents. Resources for supply-reduction programs in the Departments of Justice, Treasury, Transportation, State, and Defense will continue enforcement operations targeting domestic sources of illegal drugs, enhance interdiction efforts along trafficking routes to the United States, support security along the Southwest Border, and aid efforts in Colombia and the Andean region.

Table 1: Drug Spending by Department
Budget Authority (\$ Millions)

<u>Department</u>	<u>FY 01 Final BA</u>	<u>FY 02 Enacted</u>	<u>FY 03 Request</u>	<u>FY 02-03 Change</u>	<u>% Change</u>
Defense	1,150.3	1,008.5	998.8	(9.7)	(1.0%)
Education	634.1	659.5	634.8	(24.7)	(3.8%)
HHS	3,389.9	3,683.7	3,860.2	176.5	4.8%
Justice	8,074.1	8,140.1	8,066.5	(73.6)	(0.9%)
ONDCP	502.1	533.3	523.1	(10.2)	(1.9%)
State	289.8	832.6	895.2	62.6	7.5%
Transportation	795.8	591.4	681.7	90.3	15.3%
Treasury	1,262.0	1,546.8	1,564.7	17.9	1.2%
Veterans Affairs	680.9	709.4	741.8	32.4	4.6%
All Other	<u>1,316.6</u>	<u>1,117.4</u>	<u>1,212.9</u>	<u>95.5</u>	<u>8.5%</u>
Total	18,095.7	18,822.8	19,179.7	356.9	1.9%

Funding by Major Initiative

Stopping Use Before It Starts: Education and Community Action

- **Safe and Drug-Free Schools and Communities Program: \$644 million** (\$634.8 million drug-related). The budget continues funding for this school-based drug and violence prevention program aimed at young people. To improve evaluation and better direct program activities in FY 2003, ONDCP will work with the Department of Education to develop a useful evaluation plan that will impose program accountability, while alerting schools to problem areas.
- **National Youth Anti-Drug Media Campaign: \$180 million.** The Media Campaign uses paid media messages to guide youth and parent attitudes about drug use and its consequences. Targeted, high-impact, paid media advertisements – at both the national and local levels – seek to reduce drug use through changes in adolescent’s perceptions of the danger and social disapproval of drugs.
- **Drug-Free Communities Program: \$60 million.** The 2003 proposal is an increase of \$9.4 million over the 2002 enacted level. This ONDCP program provides assistance to community groups on forming and sustaining effective community and anti-drug coalitions that fight the use of illegal drugs, alcohol, and tobacco by youth. Further, the President’s request includes \$2 million for the National Community Anti-Drug Coalition Institute. The Institute will provide education, training, and technical assistance for coalition leaders and community teams that will help coalitions to evaluate their own performance.

- **Parents Drug Corps Program: +\$5 million.** This new initiative, funded through the Corporation for National and Community Service, will encourage parents to help children stay drug-free by training them in drug prevention skills and methods.
- **Drug-Free Workplace Programs: \$3 million.** Through the Small Business Administration in FY 2003, funding continues to support grants to organizations that help small businesses develop employee drug education programs and company drug policies.

Healing America's Drug Users: Getting Treatment Resources Where They're Needed

- **Drug Abuse Treatment Programs.** The President's FY 2003 Budget includes an overall increase of **\$224.2 million** for substance abuse treatment programs.
- **Substance Abuse and Mental Health Services Administration (SAMHSA).** The President has committed to add **\$1.6 billion** to the drug treatment system over five years. Consistent with this pledge, two key enhancements for SAMHSA in FY 2003 will provide additional funding to increase the capacity of the treatment system:
 - **Targeted Capacity Expansion (TCE) Program: +\$109 million.** This additional funding will help to expand the Treatment TCE program, which is designed to support a rapid, strategic response to emerging trends in substance abuse. Included in this proposal is \$50 million to be used for a new component of the TCE program. This new component would be structured to reserve funding for state-level competitions, weighted according to each state's need for treatment services.
 - **Substance Abuse Prevention and Treatment (SAPT) Block Grant: +\$60 million** (\$43 million drug-related). This increase in the SAPT Block Grant will provide additional funding to states for treatment and prevention services. States use these funds to extend treatment services to pregnant women, women with dependent children, and racial and ethnic minorities.
- **Promoting Drug Treatment in the Criminal Justice System.** Critical to breaking the cycle of drugs and crime is providing resources that promote drug treatment and early intervention to individuals who come into contact with the criminal justice system. This initiative expands funding for two criminal justice treatment programs that seek to reduce recidivism among these populations:
 - **Residential Substance Abuse Treatment (RSAT): +\$7 million.** This enhancement will expand total funding for the RSAT program to **\$77 million** in FY 2003. The RSAT program is a formula grant that distributes funds to states to support drug and alcohol treatment in state corrections facilities.
 - **Drug Courts: +\$2 million.** These additional resources will expand total funding for the Drug Courts program to **\$52 million** in FY 2003. This program provides alternatives to incarceration by using the coercive power of the court to force abstinence and alter

behavior through a combination of escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.

- **National Institute on Drug Abuse: +\$57.5 million¹.** This additional funding will be used to expand the National Drug Abuse Clinical Trials Network, continue the development and implementation of effective and innovative pharmacological and behavior therapies, and support continued prevention research. Also in FY 2003, NIDA research on how to respond to emerging drugs, such as MDMA and GHB, will continue. Further, as a consequence of recent terrorist attacks, in FY 2003 NIDA will expand its research portfolio to further examine the role that stress plays in the initiation and relapse into drug use.

Disrupting the Market: Attacking the Economic Basis of the Drug Trade

- **Andean Counterdrug Initiative (ACI): \$731 million.** The FY 2003 Budget includes an increase of \$106 million over funding enacted for the ACI account in FY 2002. This FY 2003 request includes resources to continue enforcement, border control, crop reduction, alternative development, institution building, and administration of justice and human rights programs. For Colombia, the FY 2003 funding will be used for several broad categories, including, operations and maintenance of air assets provided with Plan Colombia supplemental funding; Colombian National Police and Army counternarcotics Brigade operational support; and herbicide application programs. Additional funding will also support critical USAID-implemented humanitarian, social, economic and alternative development programs, support for vulnerable groups, and resources for justice sector reform projects.
- **Deepwater Project: +\$500 million.** This proposal continues to support the United States Coast Guard's Deepwater Project. The deepwater project focuses on the re-capitalization and modernization of the Coast Guard's assets, including sensors and communications equipment for the aging deepwater cutters, aircraft and command centers. Although only a portion of this initiative is related to drug control, the re-capitalization of these assets will enhance Coast Guard's ability to conduct counterdrug activities.
- **Border Control and Enforcement: +\$76.3 million (\$11.4 million drug-related).** This enhancement for the Border Patrol includes hiring an additional 570 agents to enforce national borders and to combat international drug trafficking. For the new Border Patrol Agents, a portion of their time will involve drug control activities.
- **Southwest Border Prosecutor Initiative: \$50 million.** The President's 2003 Budget maintains funding of \$50 million for the Southwest Border Prosecutor Initiative. This initiative provides critical support to counties along the Southwest Border for the costs of detaining and prosecuting drug cases referred to them by U.S. Attorneys.

¹ This FY 2003 change may be affected by the National Institutes of Health's agency-wide transfer authority.

Restructuring the National Drug Control Budget

To bring greater accountability to drug control efforts, the President's FY 2003 Budget outlines a proposal for a significant restructuring of the drug control budget. Recent independent analyses commissioned by ONDCP, as well as ongoing, required reviews by Inspectors General, have identified weaknesses in the methodologies agencies use to measure drug spending. Reform of the National Drug Control Budget is needed. In the coming months, the Administration will develop a new way to report the drug budget, based on the following guidelines:

- All funding items displayed in the drug budget should be readily identifiable line items in the Budget of the President or agency budget justifications; and
- The budget presentation should be simplified by eliminating several supporting agencies from the drug budget tabulation. Only agencies with a primary demand reduction or supply reduction mission would be displayed in the drug budget. Agencies with no or little direct involvement in drug control would be excluded from the revised drug budget presentation.

The aim of this proposal is to distinguish between funding for drug control efforts and funding for the consequences of drug use. The new drug budget presentation might show annual drug control spending to be several billion dollars less than what is currently reported. This presentational change, while dramatically lowering the amount of funding attributed to the drug control budget, will not have a negative effect on federal drug control efforts. In fact, it will improve those efforts by focusing on managing programs genuinely directed at reducing drug use. The President's FY 2004 Budget will implement the proposed changes to the National Drug Control Budget. Section IV of this document discusses this proposal in more detail.

This *Budget Summary* is a technical companion volume to the *National Drug Control Strategy*. It is prepared as a helpful reference document, as part of ONDCP's continuing efforts to keep policymakers and the public apprised of important federal drug control programs and priorities. In addition to a brief description of key FY 2003 budget initiatives, other sections of this volume include detailed tables summarizing FY 2001 to FY 2003 drug control funding (Section II), an overview of technical changes to the drug budget that may have affected its presentation from prior years (Section III), and a bureau-by-bureau explanation of drug control funding proposed for FY 2003 (Section V).